California Environmental Protection Agency

⊘ Air Resources Board

Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

GHG Reporting for 2014 Data Electric Power Entities

Electricity Retail Providers and Marketers under Section 95111

April 27, 2015

Presentation Slides Available Here:

http://www.arb.ca.gov/cc/reporting/ghgrep/guidance/guidance-training.htm

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Outline

- Overview
- Regulation Updates
- Preparing for 2014 Data Reporting
- Cal e-GGRT Reporting Tool Updates
- Guidance
- Other topics
- Questions

2013 Data Reporting Recap

All Reporting Entities

- 750 reports submitted
- 519 verified
 - 100% received positive emissions verification statements (includes 12 qualified positive)

Flectric Power Entities

- 110 reports submitted; 76 verified
- 34 reports retail sales only with no imports/exports

Summary data posted for all reports

- http://www.arb.ca.gov/cc/reporting/ghg-rep/reported-data/ghg-reports.htm

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Reporting Schedule

- June 1, 2015
 - Reports due for EPEs and electricity retail providers
 - No time extensions
- July 15, 2015
 - Deadline for corrections to RPS Adjustment data
- Failure to submit a report by the required deadline is a violation of the regulation for each day the report remains unsubmitted
- Key Dates Reference Page: http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-dates.htm

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Verification Schedule

- September 1, 2015
 - Final Verification Statements due for all EPEs
 - No time extensions
- Start early to ensure on-time completion and to correct any issues identified during verification
- Verifiers must submit Adverse statement if verification not completed on time
- Failure to have a verification statement(s) submitted by the verification deadline is a violation of the regulation for each day the verification statement remains unsubmitted

Enforcement Summary

- Issues that could lead to enforcement actions
 - Incorrect data submitted
 - Errors leading to a material misstatement
 - Failure to fix correctable errors
 - Late reports or failure to report
 - Late verification or no verification
- ARB has completed multiple enforcement actions related to reporting, and continues enforcement activities
- As completed, case settlements are posted here: http://www.arb.ca.gov/enf/casesett/casesett.htm

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Cal e-GGRT Tool Availability



- Tool available NOW
 - 2014 data reporting activated for EPEs
 - Must use updated Workbooks 1-4
 - Reflect current reporting requirements
 - Include 2014 specified source emission factors
- Guidance on EPE requirements is posted
 - FAQ on EPE Reporting Requirements
 - FAQ on Energy Imbalance Market (EIM)
 Transactions Reporting

2014 Regulation Updates

- Revisions went into effect January 1, 2015
- Regulation available here: http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-regulation.htm
- All updates are effective for 2014 data reporting
 No exceptions were specified in section 95102(b) for EPEs
 - No exceptions were specified in section 95103(h) for EPEs
- No plans for regulation updates in 2015

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Key Regulation Updates

- <u>CAISO Sales</u>: Publicly owned utilities (POU) and electrical cooperatives (co-op) must report MWhs sold into CAISO markets (section 95111(a)(12))
- <u>Transmission Loss Factor (TLF)</u>: Specifies when TLF of 1.02 or 1.0 must be used (section 95111(b)(2))
- Meter Data Requirement: Requires meter data and Lesser of Analysis for some imports (section 95111(b)(2)(E))
- <u>REC Serial Numbers for Imports</u>: Requires renewable energy credit (REC) serial numbers to be reported for certain imports (section 95111(g)(1)(M)(3))

CAISO Sales (section 95111(a)(12))

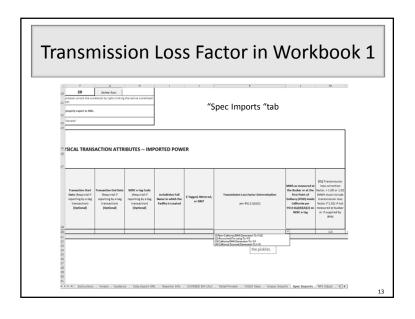
- New MRR requirement for POUs and co-ops
 - Must report the annual MWhs of all electricity sold into the CAISO markets for which the entity has a compliance obligation
- Verifiers must contact ARB directly to confirm that a specific entity is not subject to this requirement

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Transmission Loss Factor (section 95111(b)(2))

- Apply TL factor 1.02 (2% loss) when losses not supported by a California balancing authority
- Apply TL factor 1.0 (0% loss) when losses:
 - Have been accounted for, or
 - Supported by CA balancing authority, or
 - Compensated by using electricity sourced from within California
- Contact ARB staff with specific questions

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Meter Data Requirement and Lesser of Analysis (section 95111(b)(2)(E))

- Applies to zero emission and RPS resources except:
 - Grandfathered RPS, dynamically tagged power, untagged power including EIM, nuclear, ACS power, hydro resources where hourly output is not established by contract
- Clarifies requirement to retain meter generation data
- For applicable imports, reporter is required to compare imports listed on e-tag with actual generation from the resource

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Meter Data Requirement and Lesser of Analysis (section 95111(b)(2)(E)) (cont.)

- If e-tag value is greater, the generated value can be claimed as a specified import, with the balance claimed as "substitute power" (unspecified import)
- If generation exceeds tagged imports, the e-tag value is the specified import; the excess generation may be claimed as RPS adjustment, subject to applicable requirements
- Verifier will review sample tags, meter generation data, and the EPE hourly comparison spreadsheet

Meter Data Requirement in Workbook 1

Spec Imports "tab

"Spec Imports "tab

"Spec Imports "tab

Renewable Energy Credit (REC) Serial Numbers, Meter Data, and Lesser of Analysis

"Spec Imports "tab

Renewable Energy Credit (REC) Serial Numbers, Meter Data, and Lesser of Analysis

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Renewable Energy Credit (REC) Serial Number

Lesser of Analysis Example

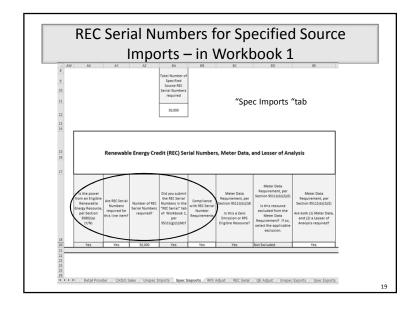
Table 3

Meter Data Requirement During Under- and Over-Generation Illustration for One Hour of Generation Scheduled and Delivered Example 1 Under-Over-Description Generation Generation (MW or MWh) (MW or MWh) 1 Metered Generation at Source A 85 115 2 Scheduled on e-Tag 100 100 3 Lesser Of Meter or Scheduled 85 100 4 Zero Emission Specified Source Claim 85 100 5 Substitute Power 15 0 6 Potential RPS Adjustment Claim 0 15

REC Serial Numbers for Specified Source Imports (section 95111(g)(1)(M)(3))

- RECs do not need to be retired
- REC serial numbers must still be reported for any California RPS-eligible resources
 - Failure to report REC serial numbers by the verification deadline = nonconformance = qualified positive verification statement
- Implemented for 2014 data reported in 2015, and future years

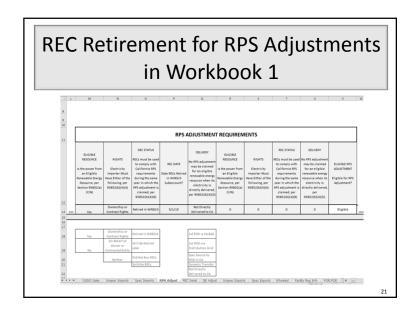
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REC Retirement for RPS Adjustments (section 95111(g)(1)(M)(1))

- No RPS adjustment can be claimed without retired REC reported in "REC serial" tab
- RECs must be <u>retired</u> in the subaccount by July 15th
- RECs retired must be used to comply with California RPS requirements during the same year the RPS adjustment was claimed (section 95852(b)(4) of Capand-Trade)
- RPS adjustment can only be claimed for electricity procured for RPS compliance but not delivered to California by the reporting entity

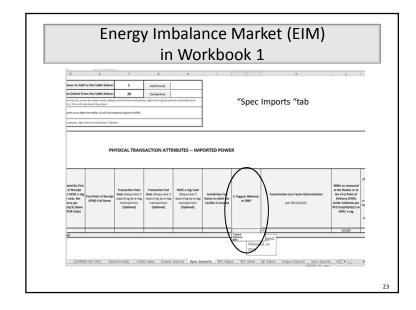
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Energy Imbalance Market (EIM)

- California ISO Energy Imbalance Market began operation on November 1, 2014
- Electricity imports/exports documented via CAISO Market Results Interface (CMRI)
- See EIM FAQ, <u>www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/eim-faqs.pdf</u>
- EIM market participants subject to same reporting and verification requirements as other EPEs

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Reporting Tips

- Start early, finish early
- Involve verifier as soon as possible
 - Include enough time to make verification revisions
- Update DR, ADR, Agents if needed
 - They have access to system until you remove them
- Contact ARB for any questions about requirements (ghgreport@arb.ca.gov)
- Check ARB guidance: http://www.arb.ca.gov/cc/reporting/ghg-rep/guidance/guidance.htm

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Verification Tips

- EPE must demonstrate to verifier that "covered emissions" have no material misstatement and no correctable errors to avoid adverse verification statement
 - Verifier uses risk-based sampling and professional judgement as to whether standard of reasonable assurance is met
 - If verifier and reporter disagree on requirements, <u>always</u> contact ARB for assistance
- GHG Inventory Program documentation must clearly describe or reference how EPE ensures:
 - <u>All</u> electricity imports, exports, and wheels <u>are included</u> and appropriately accounted
 - All RPS adjustments and qualified export adjustments meet eligibility criteria
 - All REC serial numbers are reported for California-eligible renewable energy resources claimed in specified imports or RPS adjustments
- GHG Inventory Program documentation must include all ARB written interpretations provided to EPE

Resource Web Sites

- Email reporting questions to: ghgreport@arb.ca.gov
- EPE Reporting Guidance http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/ghg-rep-power.htm
- Cal e-GGRT Tool Training http://www.arb.ca.gov/cc/reporting/ghg-rep/tool/ghg-tool.htm
- Cal e-GGRT Main Help Page http://www.ccdsupport.com/confluence/display/calhelp/Home

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Key Reporting Dates

Date	Activity
February 2	Regulatory deadline: Due date for electric power entities to register specified facilities outside California
February 18	Public release of Cal e-GGRT
April 10	Regulatory deadline: Reporting deadline for facilities and suppliers of fuels and carbon dioxide, except when subject to abbreviated reporting
June 1	Regulatory deadline: Reporting deadline for electric power entities and those subject to abbreviated reporting
July 15	Regulatory deadline: Deadline for corrections to RPS Adjustment data required for electric power entity data reports
September 1	Regulatory deadline: Final verification statements due (emissions data and product data)

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GHG Reporting Contacts

Subject Matter	Contact
Manager – Climate Change Reporting Section	Brieanne Aguila, Manager 916.324.0919
General Reporting Requirements, Stationary Combustion, Miscellaneous Sectors (cement, glass, pulp and paper, etc.), Cal e-GGRT Reporting	Patrick Gaffney 916.322.7303
Reporting Tool Registration and General Questions	<u>Karen Lutter</u> 916.322.8620
Electricity Generation and Cogeneration Facilities	<u>Karen Lutter</u> 916.322.8620
Electricity Retail Providers and Electricity Marketers	<u>Wade McCartney</u> 916.327.0822
Fuel and $\mathrm{CO_2}$ Suppliers - Transportation Fuels, Natural Gas, LPG, $\mathrm{CO_2}$	<u>Syd Partridge</u> 916.445.4292
Petroleum Refineries, Hydrogen Plants, Oil & Gas Production, and Associated Product Data	Byard Mosher 916.323.1185
Manager – Greenhouse Gas Report Verification	Renee Lawver, Manager 916.322.7062
Chief – Program Planning and Monitoring Branch	Jim Aguila, Chief 916.322.8283

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